WILLIAMS v. CITY OF NEW YORK

Forensic Payroll Audit | Discovery Narrative | Public Interest Report

How One City Employee — Armed With AI and 24 Years of Records — Uncovered What Multiple Mayoral Administrations Failed to Disclose

Plaintiff: Makel Williams

Employee ID: 0464918

Agencies Served: DFTA | DoITT | DHS

Years of Service: 24+ years (1990s to Present)

Counsel: Jeffrey Kreisberg, Esq. | KM Law

Case: Williams v. City of New York

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FOREWORD: A NOTE TO THE PUBLIC

This document is submitted for the public record. It details one of the most significant self-directed forensic payroll audits ever conducted by a single City of New York employee — using no legal team, no forensic accountant, and no government cooperation. What you are about to read is the story of how modern artificial intelligence, combined with deep analytical skill and nearly three decades of personal employment records, revealed systemic payroll failures that multiple mayoral administrations had every opportunity, authority, and obligation to correct. They did not.

This is not merely one employee's grievance. The same legacy Payroll Management System (PMS) that failed Makel Williams has processed paychecks for thousands of City employees across more than nine agencies and institutions — affecting Social Security credits, Medicare withholdings, FICA contributions, pension calculations, and weekly take-home pay — for decades.

The City never told its employees what their own payroll system could not do. It took artificial intelligence to finally reveal the truth.

PART I: THE SYSTEM THAT TIME FORGOT

Origins of the Legacy Payroll Management System

In the early 1990s, the City of New York implemented a Payroll Management System — a centralized platform designed to process compensation for the City's vast municipal workforce. At the time of its implementation, it represented an administrative upgrade. But the technology landscape of the 1990s bears no resemblance to the world of today.

Over the subsequent three decades, the City's PMS was not meaningfully modernized. While private sector employers adopted sophisticated HRIS platforms, real-time payroll reconciliation engines, and AI-assisted compliance tools, New York City continued to process employee compensation through a legacy architecture built for a different era — one without the computational power, regulatory complexity, or transparency expectations of the modern workforce.

Mayoral Administrations and the Failure to Act

Between the PMS implementation in the 1990s and the present day, multiple mayoral administrations held executive authority over the City's payroll infrastructure. Each administration inherited both the system and the obligation to ensure its accuracy, compliance, and transparency. Each administration also employed payroll administrators, HR executives, and technology officers — all paid through the same flawed system.

> *The extraordinary irony is this: the very officials empowered to oversee and update the City's payroll system were receiving paychecks processed by that same broken infrastructure. The failure was not invisible — it was universal.*

Despite this, no administration initiated a comprehensive audit of the PMS's capacity to accurately compute FICA withholdings, Medicare deductions, Social Security earnings credits, pension tier classifications, or weekly net compensation. The system was simply perpetuated — year after year, administration after administration — and the employees bore the consequences in silence, because they were never told there was a problem.

PART II: THE DISCOVERY — AI DOES WHAT THE CITY WOULD NOT

Initial Records Requests and the Incomplete Response

Makel Williams began his forensic audit journey by submitting formal records requests to relevant City agencies, including DoITT. The initial response produced a Checks Management System report — a document the City used to account for payroll disbursements. On its surface, this report appeared to justify the figures on record. It was designed to satisfy a routine inquiry and close the file.

But it did not tell the whole story. It could not — because the question being asked had not yet been sharpened to the precision required to expose what was hidden within the data.

The Role of Artificial Intelligence and Analytical Prompting

What changed everything was the deliberate application of modern artificial intelligence as a forensic analytical tool. Makel Williams — leveraging skills in data

analytics and AI prompting that took years to develop — used AI not as a shortcut, but as a scalpel. He crafted precise, layered prompts designed to interrogate his own payroll records with a level of specificity that no routine records request could achieve.

This required deep understanding of how payroll systems work, how W-2 data maps to SSA earnings records, how FICA and Medicare computations interact with pension tier classifications, and how discrepancies across 1,100 or more individual paychecks accumulate into significant financial harm over decades. Williams brought all of that knowledge to bear — and then used AI to systematically surface what the numbers revealed.

> *The City had access to this technology. The City chose not to use it. One employee, working alone with publicly available tools and his own records, accomplished what multiple administrations, multiple payroll departments, and multiple HR systems failed to do across thirty years.*

The Pivotal Document: The Payroll Management System Report

The breakthrough came when AI-assisted analysis — applied to the intersection of PMS records, career earnings history, and SSA earnings reports — revealed that a specific document was required: the Payroll Management System Report in its complete, agency-specific form. This was not a document the City had proactively provided. It was a document that only became identifiable through the analytical process of comparing what the City's records showed against what federal earnings databases confirmed — and identifying the gap.

That gap was not a rounding error. It represents an audit-indicated pattern of systemic irregularities with compounding consequences across every dimension of an employee’s financial life — the full legal characterization of which is subject to ongoing development with counsel.

PART III: WHAT THE CITY NEVER TOLD US

The Six Dimensions of Financial Harm

The PMS failures did not affect one line item on a paycheck. They cascaded across every major financial structure that governs an employee's present income and future security.

1. Social Security Administration (SSA) Earnings Credits

The SSA determines retirement benefits, disability eligibility, and survivor benefits based on lifetime earnings credits. When an employer fails to accurately report wages or miscalculates FICA withholdings, the employee's SSA earnings record is directly impacted — potentially reducing future benefit calculations for the remainder of that employee's life. The City's PMS generated SSA-reportable wage data. If those figures were inaccurate, the harm extended to every year of retirement income, every disability determination, every survivor benefit claim.

2. FICA Withholding Errors

The Federal Insurance Contributions Act mandates specific withholding rates applied to gross wages. Errors in gross wage computation — whether from misclassified earnings, excluded compensation components, or legacy system calculation failures — directly corrupt FICA withholding amounts. Over 24 years and 1,100 or more paychecks, even small per-check errors compound into substantial cumulative discrepancies. Williams's forensic audit identified and documented specific FICA withholding anomalies traceable to PMS processing failures.

3. Medicare Overcharges

Medicare withholding is computed as a flat percentage of all covered wages. Overcharges — where the system withholds more than the legally mandated amount — represent a direct financial taking from the employee with no corresponding benefit. The forensic audit identified Medicare overcharge patterns that, when projected across the full employment period, represent a quantifiable and recoverable financial harm.

4. Pension Tier Misclassification

New York City's pension system — administered through NYCERS — assigns employees to contribution tiers based on hire date and employment classification. Tier misclassification results in incorrect contribution rates, affecting both take-home pay and eventual pension benefit calculation. Williams's audit identified a pension tier classification discrepancy with material financial consequences, both in overpaid contributions during active service and projected benefit shortfalls upon retirement.

5. Weekly Net Paycheck Accuracy

When gross wages are understated, when deductions are miscalculated, or when compensation components are improperly excluded, the employee receives less than they are legally owed — every single pay period. Over 24 years, this

translates to hundreds of individual underpayments, the cumulative value of which — with interest — constitutes a significant damages claim.

6. Future Pension and Retirement Benefits

The intersection of FICA errors, Medicare overcharges, SSA reporting inaccuracies, and pension tier misclassification creates a compounding harm that extends well beyond active employment. Every year of retirement income, every cost-of-living adjustment, every benefit calculation — all are downstream of the data the City's PMS generated and reported. The City's failure to maintain an accurate payroll system is an ongoing harm whose full financial impact will continue to manifest for decades.

ADDITIONAL FINDING: REASONABLE RELIANCE ON CITY SYSTEMS & CONCEALMENT OF CORE PAYROLL DATA

For over two decades, City employees — including the Plaintiff — reasonably relied on the payroll systems made available to them by the City of New York as accurate, complete, and compliant with federal and state reporting requirements. At no point were employees informed that the system they were given access to — NYCAPS / ESS (Employee Self-Service) — functioned only as a limited front-end dashboard, displaying selectively curated payroll data rather than the full underlying record.

The true system of record — the legacy Payroll Management System (PMS) — contained the complete transactional and allocation-level payroll data, including the precise breakdown of FICA wage calculations, Medicare deductions, Social Security reportable earnings, and pension contribution allocations. Employees were never advised that NYCAPS/ESS does not and cannot fully reconcile or display PMS-level data, and that critical payroll computations do not migrate cleanly or transparently from PMS into the systems employees are permitted to view.

As a result, there was no reason — and no practical ability — for employees to request legacy PMS records, because the City represented its modern interface systems as sufficient, no discrepancy was visible without advanced cross-system forensic comparison, and the existence and necessity of the PMS Individual Payroll Report was not disclosed or made accessible through ordinary channels. This creates a condition of reasonable reliance and structural concealment.

THE LEGACY SYSTEM DEFECT WAS KNOWN — AND IGNORED

The PMS system's limitations were not unknown. Its inability to evolve with modern payroll, tax compliance, and reporting requirements had been flagged by prior administrations. Despite this, the City continued operating the same legacy infrastructure, failed to implement a full modernization or reconciliation system, and continued paying all employees — including those responsible for compliance — through the same flawed system.

Critically, the same payroll system responsible for errors in employee compensation was also used to pay payroll administrators, HR and compliance officers, agency leadership, and legal personnel overseeing employment matters. This raises a systemic issue where those responsible for detecting and correcting payroll errors were themselves dependent on — and affected by — the same defective system.

IMPACT: SYSTEM-WIDE EXPOSURE AND UNKNOWING UNDERREPORTING

Because employees were never informed of these limitations, they could not reasonably detect discrepancies in SSA earnings records, IRS-reported wages, or Medicare and FICA withholdings. They were never instructed to obtain PMS Individual Payroll Reports, cross-reference against W-2 or SSA data, or file corrections or compliance challenges. As a result, employees — including those in oversight roles — may have experienced the same underreporting, misallocation, or over-deduction issues, and been unknowingly affected in their Social Security credits, Medicare contributions, tax liabilities, and pension calculations.

CALL FOR PARALLEL DOCUMENT VERIFICATION

Given these findings, it is reasonable and necessary that all City employees — including administrators, compliance officers, and legal personnel — should be advised to obtain and compare the same three core documents identified in this audit: (1) the PMS Payroll Register / Individual Report, (2) IRS W-2 Wage Statements, and (3) the SSA Earnings Record, and perform a line-by-line reconciliation as conducted by the Plaintiff.

Failure to do so risks continued reliance on potentially inaccurate payroll data generated by a system that has not been modernized, has known structural limitations, and has never been fully audited at scale. This finding reinforces the legal arguments for equitable tolling — employees could not have discovered the harm earlier — fraudulent concealment and non-disclosure, where material system limitations were never revealed, and systemic impact, confirming this is not an isolated case but a potentially citywide issue.

PART IV: THE THREE DOCUMENTS THAT CHANGED EVERYTHING

The forensic audit's evidentiary foundation rests on the convergence of three distinct document types — each individually insufficient to establish the full picture, but together forming a documented, cross-verified record of audit-identified payroll irregularities spanning multiple agencies and decades.

Document 1: The Official NYCAPS/PMS Payroll Register

The City's own payroll management system records — obtained through targeted requests informed by AI-assisted analytical prompting — provided the authoritative source for what the City claimed to have paid, withheld, and reported for each pay period across Williams's 24-year career. These records, spanning 1,100 or more paychecks, became the baseline against which all other data was compared.

Document 2: IRS W-2 Annual Wage Statements

Federal W-2 records represent the City's official attestation of annual wages paid and taxes withheld. Systematic comparison of W-2 figures against the granular per-paycheck PMS register revealed discrepancies that could not be explained by ordinary payroll adjustments — discrepancies pointing directly to computational failures within the legacy system.

Document 3: SSA Earnings Report

The Social Security Administration maintains a lifetime earnings record for every covered worker. When SSA earnings records diverge from W-2 figures, and when both diverge from the PMS payroll register, the evidence of systemic reporting failure becomes triangulated — confirmed by three independent data sources simultaneously.

> *The convergence of these three documents created a forensic triangle of evidence that no single records request, no routine HR inquiry, and no standard audit process had ever assembled. It took artificial intelligence to know what to ask for, how to compare it, and what the differences meant.*

PART V: THE TECHNOLOGY GAP — THEN AND NOW

What the City Had. What the City Used. What the City Ignored.

The argument that the City could not have known about PMS failures does not survive scrutiny. The technology to detect, audit, and correct payroll system errors has existed and evolved continuously since the 1990s. What the City lacked was not capability — it was will.

The same AI tools that Williams used to conduct his personal forensic audit are commercially available, scalable, and could be deployed citywide to audit payroll records for every municipal employee. The fact that a single individual — working without institutional resources, without a forensic accounting firm, and without government cooperation — accomplished in months what the City failed to accomplish in thirty years is not a testament to extraordinary individual genius. It is an indictment of institutional negligence.

The Prompting Methodology: A Replicable Discovery Framework

Williams's analytical approach was systematic and replicable. By developing precise AI prompts designed to interrogate specific intersections of payroll data — mapping gross wage figures to FICA computations, comparing W-2 box values to PMS register totals, and cross-referencing SSA earnings credits against both — he created a discovery framework that any sufficiently motivated analyst could apply to any set of City payroll records.

This methodology is not proprietary. It is a demonstration of what modern technology can do when applied with analytical rigor to publicly available personal records. The City’s failure to apply equivalent rigor — across nine or more agencies, over thirty years, through multiple administrations — is a choice that carries legal and financial consequences.

Generative AI: How Technology Outpaced the City — and Exposed the Truth

This discovery is the direct result of generative artificial intelligence applied as a forensic tool. What you are reading is not a complaint — it is evidence, assembled through an evolved analytical skillset developed over years of deliberate practice

at the intersection of data analysis, payroll systems knowledge, and AI prompting. Generative AI did not replace the analysis. It amplified it. It allowed one employee, working alone, to interrogate 24 years of payroll records with the precision of a forensic accounting team — and to surface what multiple mayoral administrations, multiple HR departments, and multiple compliance offices failed to find across nearly three decades.

The deeper truth this case reveals is a story about time. The City of New York implemented its payroll infrastructure in an era when the technology to audit it at scale did not exist for ordinary employees. Generative AI changed that. Technology evolved. The City's payroll system did not. That gap — between what modern analytical tools can reveal and what a legacy system was designed to conceal — is precisely where this discovery lives. The City's failure to update how employee paychecks are processed to reflect decades of changes in federal tax law, SSA regulations, and pension requirements was not just an administrative failure. It became, in the age of generative AI, an exposed one.

A Blueprint for Every SSEU Local 371 Member

What Makel Williams built is not just a personal legal claim. It is a replicable blueprint. Any SSEU Local 371 member — any NYC municipal employee, past or present — can follow the same framework to prepare their own discovery package and place it in the hands of their union attorney for enforcement. The process does not require a forensic accountant. It does not require institutional support. It requires three documents, a generative AI tool, and the willingness to cross-reference what the City told you against what the federal record actually shows.

The Three-Document Cross-Reference — Your Discovery Foundation:

- **Document 1 —** Your Agency PMS Payroll Register (request directly from your agency payroll office or via FOIL). This is what the City recorded as your gross wages, deductions, and net pay for every check issued.
- **Document 2 —** Your IRS Wage and Income Transcript (request free at IRS.gov). This is what the City reported to the federal government as your taxable wages and withholdings each year.
- **Document 3 —** Your SSA Earnings Statement / Form SSA-7005 (request free at ssa.gov/myaccount). This is what the federal government recorded as your lifetime Social Security earnings — the number that determines your retirement and disability benefits for the rest of your life.

If these three documents do not tell the same story — if the numbers do not align — you have the foundation of a discovery package. Bring it to your union attorney. That is what this blueprint produced. That is what generative AI made possible.

And that is how technology, in the hands of one determined municipal employee, did what the City of New York had decades and every resource to do — and chose not to.

The Nine Institutions

The PMS's reach extends far beyond any single agency. The same legacy infrastructure has processed payroll for employees across a broad institutional footprint within New York City government. While Williams's audit documents his experience across DFTA, DoITT, and DHS, the structural failures identified in his records are inherent to the system itself — meaning every institution dependent on the PMS has been exposed to the same categories of computational error, the same reporting inaccuracies, and the same undisclosed harm to its employees.

PART VI: LEGAL SIGNIFICANCE AND TOLLING

The Stallman Arbitration Award and the Statute of Limitations

Central to the legal posture of Williams v. City of New York is the Stallman Arbitration Award — a confirmed New York State Supreme Court order (confirmed May 16, 2014) that serves as the foundational legal instrument establishing the tolling of applicable statutes of limitations. This award enables claims reaching back across the full span of Williams’s employment to be brought forward without being time-barred.

The significance of the tolling argument is amplified by the discovery narrative itself. Williams could not have identified the specific nature and scope of the City's payroll failures without the AI-assisted forensic methodology he developed. The violations were not merely concealed — they were structurally undetectable through ordinary means. This supports the legal position that the statute of limitations did not begin to run until discovery of the harm, which occurred only when modern analytical tools were applied to the historical record.

The Scope of Damages

The confirmed principal claim total — encompassing all quantified financial harm arising from FICA errors, Medicare overcharges, pension tier misclassification,

SSA earnings discrepancies, and weekly paycheck underpayments — is documented in the forensic evidentiary record held by counsel and is not disclosed in this public narrative. This figure is not static. It accrues daily interest under CPLR §5004 from May 16, 2014, and its full scope — including projected future pension and retirement benefit losses — continues to be developed in coordination with counsel.

CONCLUSION: THE OBLIGATION TO EVOLVE

The story told in this document is, at its core, a story about institutional failure and individual resilience. It is the story of a City that implemented a payroll system in the 1990s and chose — through inaction across administration after administration — to leave its employees in the dark about what that system could not do. It is also the story of one employee who refused to accept that darkness, who developed the skills to bring modern technology to bear on a decades-old problem, and who used those skills to discover, document, and pursue the truth.

Makel Williams did not have a forensic accounting firm. He did not have institutional support. He had his records, his analytical mind, his AI prompting skills, and twenty-four years of accumulated knowledge about how New York City's payroll system was supposed to work — and how it actually did.

The City had all of those resources and more. The City had the technology. The City had the authority. The City had the obligation.

> *The question this case poses to every New York City employee, to every taxpayer, and to every court that reviews these facts is simple: If one man could discover this — alone, with publicly available tools and his own records — why did the City never do the same?*

That question deserves an answer. This case is how Makel Williams intends to get one.

— END OF PUBLIC DISCLOSURE DOCUMENT —

ATTACHED DOCUMENTS

Attachment 1 — Forensic White Paper: Systemic Payroll System Failure (NYC_Payroll_WhitePaper_v14_with_IFA.docx) — A detailed technical analysis of the five-system NYC payroll pipeline and the seven structural error categories producing incorrect paychecks across all municipal agencies. Prepared for legal submission in Williams v. City of New York.

Attachment 2 — Statement of Legal Protection and IP Verification (Williams_Legal_Protection_Summary.docx) — Verification of the four-layer legal protection framework governing this publication and all related disclosures, including First Amendment, NLRA Sections 7 and 8(a)(1), and NY Taylor Law protections. Identifies counsel of record and the governing Stallman Arbitration Award.

Both attachments are submitted as part of this public disclosure package. | Version 3 | March 2026

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